NCA
VOC FOR PGM/FN
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VERA HIRSCHBERG

DEBATING THE ENERGY CRISIS

ANNCR :

A LITTLE OVER A YEAR AGO, PRESIDENT CARTER SENT HIS ENERGY BILL TO THE CONGRESS, CALLING THE NEED TO CONSERVE ENERGY "THE MORAL EQUIVALENT OF WAR." CONGRESS STILL HAS NOT PASSED AN ENERGY BILL AND A DEBATE IS GROWING ABOUT WHETHER THERE REALLY IS AN "ENERGY CRISIS" .... AS WE HEAR IN THIS BACKGROUND REPORT BY VOA'S VERA HIRSCHBERG.

VOICE:

THE UNITED STATES COMMERCE DEPARTMENT RECENTLY REPORTED THAT THE NATION'S TRADE DEFICIT FOR MARCH WAS ALMOST THREE THOUSAND MILLION DOLLARS. WHILE THE DEFICIT SHOWED THAT AMERICANS BOUGHT MORE ABROAD THAN THEY SOLD FOR THE 22ND MONTH IN A ROW, IT WAS A MARKED IMPROVEMENT OVER THE RECORD FEBRUARY LEVEL OF SOME FOUR AND ONE-HALF THOUSAND MILLION DOLLARS. GOVERNMENT ECONOMISTS ATTRIBUTED THE MARCH DECLINE TO A DROP IN OIL IMPORTS BECAUSE OF INCREASED ALASKAN OIL PRODUCTION AND USE OF DOMESTICALLY STORED OIL.

THE FACT THAT AMERICANS ARE USING LESS IMPORTED OIL COMES AS NO SECRET TO THE OIL INDUSTRY. BUT IT HAS RAISED DOUBTS AMONG SOME ENERGY EXPERTS ABOUT THE VALIDITY OF THE CARTER ADMINISTRATION'S CLAIM THAT THERE WILL BE A WORLD-WIDE OIL SHORTAGE IN THE MID-1980S. IN MARCH THE INDUSTRY RELEASED ESTIMATES THAT THE UNITED STATES WILL USE FIVE PER CENT LESS FOREIGN OIL THIS YEAR THAN LAST. AND, SAID INDUSTRY EXPERTS, DUE TO A VARIETY OF FACTORS, THE DECLINING TREND IN OIL IMPORTS TO THE UNITED STATES MAY CONTINUE WELL INTO THE 1980S.

THIS VIEW WAS BOLSTERED LAST WEEK WITH THE RELEASE OF EXXON CORPORATION'S LATEST DOMESTIC AND INTERNATIONAL ENERGY OUTLOOK.

AMONG THE CORPORATION'S CONCLUSIONS WERE THAT ASSUMING THE WORST, UNITED STATES OIL IMPORTS WILL ACCOUNT FOR SLIGHTLY MORE THAN HALF THE NATION'S OIL SUPPLIES BY 1990, AS COMPARED WITH SLIGHTLY LESS THAN HALF TODAY. EXXON ALSO CONTENDS THAT THER IS NO REASON WHY WORLD OIL PRODUCTION AND SUPPLIES SHOULD SHRINK DURING THE COMING DECADE.

UNITED STATES ENERGY SECRETARY JAMES SCHLESINGER HAS SAID THAT PRESIDENT CARTER'S SENSE OF URGENCY ABOUT THE IMPENDING WORLD-WIDE OIL SHORTAGE WAS BASED ON ESTIMATES PREPARED BY THE CENTRAL INTELLIGENCE AGENCY (CIA.) IN A REPORT LAST YEAR, THE AGENCY PREDICTED THAT THE SOVIET UNION WOULD INCREASE OIL IMPORTS SUBSTANTIALLY BY THE MID-1980S. THE CIA ALSO CLAIMED THAT THE SAUDI ARABIAN OIL FIELDS WERE EXPERIENCING PRODUCTION DIFFICULTIES, AND CONSEQUENTLY WOULD PRODUCE FAR LESS THAN PREVIOUSLY BELIEVED. THE CIA REPORT WAS NEVER MADE PUBLIC, BUT WAS THE BASIS FOR A SERIES OF ARTICLES PUBLISHED LAST DECEMBER BY THE NEW YORK TIMES.

INTERNATIONAL OIL EXPERTS AND OIL COMPANIES QUESTION THE CIA'S CONCLUSIONS, AND IN TURN, THE VALIDITY OF PRESIDENT CARTER'S ALARM ABOUT DWINDLING ENERGY SUPPLIES. JAMES AKINS, FORMER UNITED STATES STATE DEPARTMENT OIL EXPERT DESCRIBES THE CIA REPORT, IN HIS WORDS, AS "ABSOLUTELY PERNICIOUS." SAUDI ARABIAN OFFICIALS ALSO INSIST THE ANALYSIS IS QUESTIONABLE.

; MEANWHILE, AS PRESIDENT CARTER'S ENERGY BILL LANGUISHES IN CONGRESS, MANY AMERICANS ARE COMPARING THE ENERGY CRISIS TO WHAT FAMED AMERICAN EDITORIALIST CHARLES DUDLEY WARNER ONCE SAID ABOUT THE WEATHER. "EVERYBODY TALKS ABOUT THE WEATHER," HE WROTE, "BUT NOBODY DOES ANYTHING ABOUT IT."

JS/PY